

Executive Summary

FY 2006 President's Budget by Function

(Dollars in Thousands)

Appropriation	FY 2004	FY 2005	FY 2006		
	Enacted	Enacted	President's Budget	Increase/Decrease	% Change
Tax Administration	\$10,184,517	\$10,236,087	\$10,679,261	\$443,174	4.3%
IRS Tax Administration and Operations	\$9,762,024	\$9,998,165	\$10,460,051	\$461,886	4.6%
Business Systems Modernization	\$387,699	\$203,360	\$199,000	(\$4,360)	(2.1%)
HITCA	\$34,794	\$34,562	\$20,210	(\$14,352)	(41.5%)
Fiscal Service Operations	\$399,837	\$402,848	\$413,166	\$10,318	2.6%
Financial Management Service	\$227,210	\$229,083	\$236,243	\$7,160	3.1%
Bureau of the Public Debt	\$172,627	\$173,765	\$176,923	\$3,158	1.8%
Management & Financial	\$515,592	\$523,334	\$547,371	\$24,037	4.6%
Departmental Offices	\$238,631	\$224,615	\$232,607	\$7,992	3.6%
Salaries and Expenses	\$175,070	\$178,412	\$195,253	\$16,841	9.4%
Treas Building & Annex Repair & Restoration	\$24,853	\$12,217	\$10,000	(\$2,217)	(18.1%)
Dept-wide Systems & Capital Invest. Program	\$36,185	\$32,002	\$24,412	(\$7,590)	(23.7%)
Air Transportation Stabilization Program	\$2,523	\$1,984	\$2,942	\$958	48.3%
Financial Crimes Enforcement Network	\$57,231	\$71,922	\$73,630	\$1,708	2.4%
Alcohol & Tobacco Tax and Trade Bureau	\$79,528	\$82,336	\$91,126	\$8,790	10.7%
Office of Inspector General	\$12,923	\$16,368	\$16,722	\$354	2.2%
Treasury IG for Tax Administration	\$127,279	\$128,093	\$133,286	\$5,193	4.1%
Total, Treasury Appropriations Committee	\$11,099,946	\$11,162,269	\$11,639,798	\$477,529	4.3%
Community Development Financial Institutions Fund	\$60,640	\$55,078	\$7,900	(\$47,178)	(85.7%)
Total, Treasury Level	\$11,160,586	\$11,217,347	\$11,647,698	\$430,351	3.8%
Treasury International Programs	\$1,496,370	\$1,337,247	\$1,455,079	\$117,832	8.8%
International Financial Institutions	\$1,383,042	\$1,219,199	\$1,335,329	\$116,130	9.5%
Technical Assistance	\$18,888	\$18,848	\$20,000	\$1,152	6.1%
Debt Restructuring	\$94,440	\$99,200	\$99,750	\$550	0.6%
Total	\$12,656,956	\$12,554,594	\$13,102,778	\$548,183	4.4%

Overview

The U.S. Department of the Treasury's FY 2006 budget reflects the Department's commitment to the President's top policy priorities: promoting economic opportunity and ownership, protecting America and making government more effective.

The FY 2006 performance budget identifies the resources required to support Treasury's role as the steward of U.S. economic and financial systems, and as an influential participant in the international economy. The Department's budget allows Treasury to wage the financial war on terror, collect the nation's taxes, manage and account for the U.S. public debt, administer the Government's finances, regulate and supervise financial institutions and produce coins and currency.

Treasury's FY 2006 budget supports its strategic goals to promote financial security and promote prosperous

and stable economies at home and abroad, and to manage for results across the Department. This Budget in Brief requests funding for initiatives for the Department's offices and bureaus and provides additional detail about the total scope of Treasury budget activity.

FY 2006 Budget Request

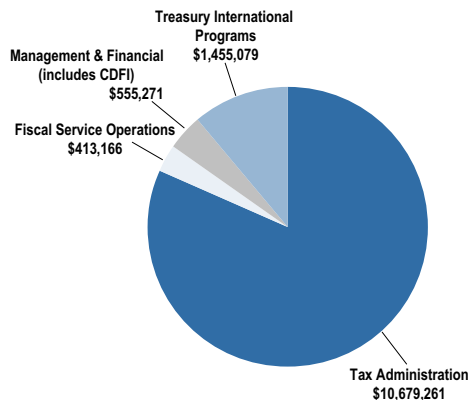
The FY 2006 request for appropriations for the Department of the Treasury totals \$11,647.7 million. This amount represents an increase of \$430.4 million over the FY 2005 enacted level, including supplementals, and reflects a 3.8 percent increase over the previous year. Treasury's budget funds its highest priority initiatives and reflects efforts to capitalize on efficiency and reinvest savings to fund initiatives wherever possible.

Summary of Program Operating Levels by Treasury Goal

(Dollars in Thousands)

Treasury Goal/Objective	Promote Prosperous US/World Economies (E1)		Promote Stable US/World Economies (E2)		Preserve Integrity of Financial Systems (F3)		Manage US Gov Finances Effectively (F4)		Management Excellence and Accountability (M5)		Total	
	Direct \$	Reimb. \$	Direct \$	Reimb. \$	Direct \$	Reimb. \$	Direct \$	Reimb. \$	Direct \$	Reimb. \$	Direct \$	Reimb. \$
Tax Administration												
IRS Tax Administration and Operations	\$0	\$0	\$0	\$0	\$207,565	\$67,895	\$10,471,696	\$35,105	\$0	\$0	\$10,679,261	\$103,000
Business Systems Modernization					\$207,565	\$67,895	\$10,252,486	\$35,105			\$10,460,051	\$103,000
HITCA							\$199,000				\$199,000	\$0
Fiscal Service Operations							\$20,210				\$20,210	\$0
Financial Management Service	\$0	\$0	\$0	\$0	\$0	\$0	\$413,166	\$176,148	\$0	\$0	\$413,166	\$176,148
Bureau of the Public Debt							\$236,243	\$167,770			\$236,243	\$167,770
Management & Financial							\$176,923	\$8,378			\$176,923	\$8,378
Departmental Offices	\$52,685	\$232	\$71,248	\$3,006	\$143,823	\$5,775	\$67,841	\$935	\$211,774	\$9,971	\$547,371	\$19,919
Salaries and Expenses												
Treas Bldg & Annex Repair & Restoration	\$52,685	\$232	\$27,299	\$2,241	\$70,193	\$4,234	\$17,722		\$27,354	\$4,679	\$195,253	\$11,386
Dept-wide Systems & Capital Invest. Program									\$10,000		\$10,000	\$0
Air Transportation Stabilization Program			\$2,942						\$24,412		\$24,412	\$0
Financial Crimes Enforcement Network					\$73,630	\$1,541	\$50,119	\$935			\$2,942	\$0
Alcohol & Tobacco Tax and Trade Bureau			\$41,007	\$765					\$73,630		\$73,630	\$1,541
Office of Inspector General									\$91,126		\$91,126	\$1,700
Treasury IG for Tax Administration									\$16,722	\$2,342	\$16,722	\$2,342
									\$133,286	\$2,950	\$133,286	\$2,950
Total, Treasury Appropriations Committee	\$52,685	\$232	\$71,248	\$3,006	\$351,388	\$73,670	\$10,952,703	\$212,188	\$211,774	\$9,971	\$11,639,798	\$299,067
Community Development Financial Institutions Fund	\$7,900										\$7,900	\$0
Treasury International Programs	\$1,455,079										\$1,455,079	\$0
Total, Treasury Appropriated Level	\$1,515,664	\$232	\$71,248	\$3,006	\$351,388	\$73,670	\$10,952,703	\$212,188	\$211,774	\$9,971	\$13,102,777	\$299,067
Non Appropriated Bureaus	\$0	\$85,190	\$0	\$0	\$0	\$2,426,649	\$0	\$0	\$0	\$801,587	\$0	\$3,313,426
Treasury Franchise Fund										\$801,587	\$0	\$801,587
U.S. Mint						\$1,214,233					\$0	\$1,214,233
Bureau of Engraving and Printing						\$575,000					\$0	\$575,000
Office of the Comptroller of the Currency		\$65,930				\$464,078					\$0	\$530,008
Office of Thrift Supervision	\$19,260					\$173,338				\$0	\$0	\$192,598
Subtotal, Direct \$	\$1,515,664		\$71,248		\$351,388		\$10,952,703		\$211,774		\$13,102,777	\$0
Subtotal, Reimbursable \$	\$85,422			\$3,006		\$2,500,319		\$212,188		\$811,558		\$3,612,493
Total, Treasury Level	\$1,601,086		\$74,254		\$2,851,707		\$11,164,891		\$1,023,332		\$16,715,270	

Proposed FY 2006 Treasury Appropriated Budget by Function



Ensure Financial Security

Managing the U.S. Government's finances effectively is key to the nation's financial security. Treasury's request provides \$10,679.3 million for the Internal Revenue Service (IRS) to ensure that the nation's taxes are collected fairly. Taxes on alcohol and tobacco products are collected by the Alcohol and Tobacco Tax and Trade Bureau (TTB), which conducts investigations in the commodities area. TTB requests \$91.1 million in funding in the FY 2006 budget.

The FY 2006 budget request includes investments for the Internal Revenue Service (IRS) to increase tax compliance through enforcement and infrastructure modernization. Both efforts are investments that ultimately increase federal revenues while also increasing essential simplification and fairness for taxpayers. Continuing to fund the modernization of the IRS infrastructure by deploying information technology is an important goal of the FY 2006 budget.

Treasury's request includes \$199.0 million to fund IRS' Business Systems Modernization efforts. These efforts to modernize the infrastructure require short-term expenditures that will be investments in long-term change and savings. Prior modernization initiatives at the IRS have already demonstrated results – eFile and eServices being two good examples of programs that work – and a continuing effort is central to the Department's pursuit of more fair and simple taxation.

Supporting enforcement initiatives is a critical part of increasing fairness in our tax system. Investing in

enforcement is proven to increase revenues as well as long-term compliance. Treasury's budget includes a \$265 million increase for enforcement efforts that will work to close the tax gap between taxes paid and taxes owed.

Making tax preparation and filing less complicated is also a priority of Treasury's FY 2006 budget. The budget provides funding to directly impact the public through the promotion of increased electronic tax filing, which benefits taxpayers by improving the accuracy of filed returns, providing an acknowledgement that the return has been received by the IRS, and speeding the processing of refunds.

Treasury's budget contains funding to streamline payments and collections processes and invest in state-of-the-art technology to move toward an "all-electronic Treasury" where citizens can pay taxes, receive Federal payments and buy Treasury securities in a secure online environment.

The budget includes a request for \$236.2 million in appropriations for the Financial Management Service (FMS), which administers the Government's payments and collections systems. In 2004, FMS issued more than 705 million electronic payments and 235 million paper checks. FMS annually issues more than 940 million non-Defense payments valued at \$1.5 trillion, including Social Security benefits, tax refunds, and veterans' benefits.

The budget request also includes a request for \$176.9 million in direct appropriations for the Bureau of the Public Debt (BPD), which accounts for the nation's public debt and issues U.S. Government securities. The funding will allow BPD to continue to improve the efficiency of the securities services to customers by expanding TreasuryDirect, an investment system which will enable Treasury customers to manage their investment accounts online. Currently, the system includes more than \$1 billion in securities holdings.

Finally, to support the nation's financial system, it is essential that Treasury meets global demand for the world's most accepted coins and currency. Through the Bureau of Engraving and Printing (BEP) and the United States Mint, Treasury produces moneys that are distributed across the nation and around the globe

as a visible symbol of the United States. Treasury also continues to manufacture popular numismatic products and develop new designs of next generation currency to guard against counterfeiting. All 2006 nickels will commemorate the achievements of Thomas Jefferson, and during 2006, the United States Mint will also roll out the next installment of the popular 50 State Quarters® Program, with quarters for Nevada, Nebraska, Colorado, North Dakota and South Dakota.

Strengthen National Security

Financial security begins with a strong and safe nation. Treasury's request provides more than \$100 million to support the financial war on terror and fund key activities that thwart illegal financial activity around the globe, including strengthening Treasury's financial intelligence capabilities. Through its Office of Terrorism and Financial Intelligence (TFI), which was created in 2004, Treasury is at the center of the war against terrorist financing through its efforts to fight financial crimes, money laundering and terrorist financing across the globe.

Treasury's FY 2006 request includes increases for resources to enhance Treasury's analytical capability so that senior officials have access to actionable financial intelligence. The request also supports TFI by helping to create a 21st century information technology infrastructure to assist in the global fight against terror.

With improved capacity, TFI will more effectively pursue terrorist financing and have the ability to better support USA PATRIOT Act activities and curtail other illegal financial transactions.

Through this request, Treasury will improve its collaboration with international counterparts, increase anti-money laundering efforts, and improve Bank Secrecy Act oversight. This budget also supports the mission of the Office of Foreign Assets Control (OFAC) in administering international economic and trade sanctions and targeting international narcotics traffickers and other activity in violation of U.S. foreign policy and national security goals.

To support its efforts to increase anti-money laundering efforts and Bank Secrecy oversight,

Treasury's FY 2006 budget request also includes \$73.6 million for the Financial Crimes Enforcement Network (FinCEN).

Promote Economic Opportunity

Treasury supports the President's commitment to promoting economic opportunity and ownership by stimulating economic growth and promoting sensible economic policies that impact the domestic and international economy. In FY 2006, Treasury is requesting \$132.6 million in appropriations to support economic development activities.

The majority of these funds will support Treasury's policymaking activities. The request funds policy offices through which Treasury develops and implements policies that guide domestic economic development, tax programs, financial institutions and other fiscal matters. These policies are essential as Treasury works to simplify the U.S. tax code, improve the economies of distressed communities, and create a legal and regulatory framework that allows the nation's businesses to thrive.

A strong national economy must have a strong banking system. Treasury maintains the health of the national banking and thrift system through the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS). OCC and OTS protect the safety and soundness of national banks and thrifts through regulatory activities to ensure institutions are soundly managed and in compliance with consumer banking laws. OCC and OTS also contribute to the integrity of our financial institutions by working with FinCEN to enforce anti-money laundering laws and regulations.

Treasury is working with the Office of Management and Budget (OMB) and other agencies to streamline the Government's community development programs in order to maximize effectiveness. Treasury's FY 2006 budget includes a reduction of program funding for the Community Development Financial Institutions (CDFI) Fund. The request for \$7.9 million in direct funding in FY 2006 will ensure the administration of the New Markets Tax Credit Program (NMTC) and management of the existing awards under the Community Development Financial Institutions Program, the Bank Enterprise Award Program,

and the Native Initiatives Program. Other program funds will be consolidated with Federal community development programs within the Department of Commerce.

Treasury also promotes prosperity around the globe through its International programs. Contributions support the U.S. Government's participation in international financial institutions including the World Bank and the International Monetary Fund. Funding supports technical assistance to developing nations to strengthen their financial systems and support debt relief efforts for Highly Indebted Poor Countries (HIPC). The funding facilitates U.S. efforts to liberalize the financial aspects of trade and investment and provides millions of dollars in loans and grants to developing nations. This budget request includes \$1,455.1 million in funding for International programs, which is requested as part of the Foreign Operations, Export Financing, and Related Programs Appropriations Act.

Manage For Results

Treasury's budget includes funding requests to ensure that the Department remains a world-class organization and has the infrastructure it needs to operate effectively. The request provides a total of \$232.6 million to fund management priorities at the Department through the Departmental Offices (DO) and to ensure the Department continues to manage for results.

The proposed budget request includes \$7.9 million in new funding to provide for an improved technology infrastructure. This is essential for keeping pace with the Department's needs to enhance productivity,

improve communication, interact effectively with the world-wide financial community, and to meet other management needs. Funding will be used to improve the Department's information technology (IT) infrastructure to ensure effectiveness in managing federal finances and combating financial crimes and terrorist financing.

The request also ensures that the Department will continue its major facilities projects and services for the Main Treasury and Treasury Annex buildings to ensure the safety and health of occupants and perform structural repairs and improvements.

Treasury's budget demonstrates its commitment to management priorities that improve transparency and accountability. The request includes a total of \$16.7 million to fund the Office of the Inspector General (OIG) and augment audit and investigative capabilities. It includes \$133.3 million to support the Treasury Inspector General for Tax Administration (TIGTA) and its efforts to oversee the nation's tax administration.

Finally, through its Franchise Fund, Treasury promotes excellence in its management by increasing competition for government and financial administrative services. Through its services provided to Federal agencies, the Franchise Fund lowers costs and delivers higher quality goods and services to its customers on a fee-for-service basis. Established in 1996 by Congress as a pilot project, the Franchise Fund was made permanent in 2004 through P.L. 108-447. It was recognized as a Center of Excellence in the Financial Management Line of Business by the Office of Management and Budget in 2004.

Summary of FY 2006 Program Changes

(Dollars in Thousands)

	Amount	Direct FTEs
FY 2005 Consolidated Appropriations	\$11,662,818	105,355
Rescission (H.R. 4818)	(\$445,471)	(2,948)
FY 2005 Enacted	\$11,217,347	102,407
Maintaining Current Levels	\$307,510	35
Pay Inflation Adjustment	\$236,440	
Non-Pay Inflation Adjustment	\$64,012	
Annualizations of FY 2005 Initiatives	\$1,276	8
TFI Start Annualization	\$5,782	27
One-Time Cost Savings	(\$77,085)	(43)
CDFI Non-Recur All but NMTC Administration	(\$47,304)	(33)
FinCen Non-Recur Cost for BSA Direct	(\$5,000)	
DSCIP HR Connect	(\$17,490)	
DO Critical Infrastructure Protection	(\$1,000)	
DO Financial Literacy Initiative	(\$1,000)	
DO Hiring Freeze/Attrition FTE	(\$1,740)	(10)
DO Office of Financial Education	(\$334)	
DO Turkey Loan	(\$1,000)	
T-BARR Treasury Bldg & Annex Repair & Restoration	(\$2,217)	
Base Re-Engineering & Program Reductions	(\$257,978)	(2,258)
IRS-TAO Taxpayer Service Reengineering	(\$134,103)	(1,205)
IRS-TAO Savings from Increased IMF E-filing	(\$7,700)	(190)
IRS-TAO Consolidate Case Processing	(\$66,654)	(649)
IRS-TAO Consolidate Insolvency Activities	(\$14,928)	(134)
IRS-TAO Detect and Deter Corrosive Corporate Non-Compliance	(\$6,711)	(52)
IRS-BSM Business System Modernization	(\$4,360)	
IRS-HITCA Reduce Health Insurance Tax Credit Administration	(\$15,392)	
BPD Bond Stock Reduction	(\$35)	
BPD FAIR Act Inventory Reduction	(\$100)	
BPD Issuing Agent Fees and Postage Reduction	(\$2,185)	
BPD Paying Agent Fees	(\$1,600)	
BPD Retired Bond Imaging	(\$185)	(12)
BPD TreasuryDirect Backup Servers	(\$287)	
FinCEN Redirect Analysis Efforts to Higher Priorities	(\$2,184)	(16)
FMS Accounting Information Infrastructure Efficiencies	(\$425)	
FMS Automation of Standard Application Payments	(\$179)	
FMS Check Reconciliation and Claims Improvements	(\$250)	
FMS Rent - Relocation of San Francisco Center	(\$700)	
Transfers and Adjustments	\$55,584	329
DO Transfer from OFAC	\$22,113	
OFAC Transfer to S&E	(\$22,113)	
TIGTA Transfer from IRS (FECA)	\$201	
IRS Transfer from IRS-TAO	\$202	
IRS Transfer ICDE from Justice	\$55,584	329
IRS Transfer to HITCA	(\$202)	
IRS Transfer to TIGTA (FECA)	(\$201)	
FY 2005 Current Service Level	\$11,245,378	100,470

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		Amount	Direct FTEs
Program Initiatives - Base Reinvestment		\$103,261	821
IRS - TAO	Increase Returns Processing Efficiency	\$7,600	12
IRS - TAO	Consolidate Case Processing	\$66,654	585
IRS - TAO	Consolidate Insolvency Activities	\$14,928	156
IRS - TAO	Detect and Deter Corrosive Corporate Non-Compliance	\$6,711	52
FMS	Workstation Replacement	\$1,554	
BPD	Accelerate Conversion of Paper Bonds to NBES	\$504	
BPD	Litigation Support	\$2,243	
BPD	Locating Mature Unredeemed Debt Owners	\$173	
BPD	New TreasuryDirect Workload	\$289	
BPD	TreasuryDirect Application Development	\$421	
FinCEN	Enhance Capability to Prove Comprehensive Analysis	\$2,184	16
Program Initiatives - Increases		\$299,059	1,717
ATSB	Loan Monitoring/Restructuring	\$958	
DO	Modernization of DO IT Infrastructure	\$1,755	
DO	Financial Statement Audit	\$1,807	
DO	Declassification Project	\$676	
DO	Upgrade Fiscal Projections Program	\$300	2
DO	Building Safety and Structural Repairs	\$1,000	
DO	Foreign Credit Reporting System Ops & Maintenance	\$295	
DO	Overseas Presence	\$200	1
DO	Legislative Affairs Support for TFI	\$162	1
DO	Office of Foreign Assets Control Staffing	\$1,721	9
DO	General Counsel Support for TFI	\$171	1
DO	Cuba Sanctions Support Litigation Unit	\$81	1
DO	Integration Multi-Media Room	\$720	
DO	Office of Intelligence Analysis Analysts	\$1,843	10
DO	Office of Terrorism Financing Staff	\$587	3
DO	Personnel Security Investigations	\$115	
DSCIP	Documents Management	\$600	
DSCIP	Treasury Secure Data Network (TSDN)	\$2,800	
DSCIP	Defense Messaging System	\$500	
DSCIP	TS/SCI Network	\$6,000	
FinCEN	Terrorist Data Analysis and Filing Environment/Enhance Anti-Money Laundering	\$698	2
FinCEN	Enhance Anti-Money Laundering/Terrorist Regulatory Structure	\$1,093	6
FinCEN	Expansion International Terrorist Financing Information Exchange	\$790	4
FinCEN	Strengthen Overall Analytical Support Services	\$1,383	1
FMS	Mail Sorting Equipment	\$799	
FMS	FASAB	\$519	
IRS - TAO	Attack Corrosive Non-Compliance Activities Driving the Tax Gap	\$149,700	920
IRS - TAO	Detect & Deter Corrosive Corporate Non-Compliance	\$51,800	236
IRS - TAO	Increase Individual Taxpayer Compliance	\$37,900	417
IRS - TAO	Curtailing Fraudulent Refund Crimes	\$10,772	22
IRS - TAO	Combat Abusive Transactions by Special Tax Status Entities	\$14,460	77
TIGTA	Collection Contract Initiatives	\$750	4
TTB	IT Enterprise Information Services	\$4,404	
TTB	Integrated Revenue Information System (IRIS)	\$1,700	
FY 2006 President's Budget		\$11,647,698	103,008

Summary of FY 2006 Increases and Decreases

(Dollars in Thousands)

Bureaus/Accounts	DO	ATSB	OIG	TIGTA	FINCEN	FMS	TTB	BPD	IRS	CDFI	Total
FY 2005 Consolidated Appropriations	\$236,239	\$2,000	\$16,500	\$129,126	\$72,502	\$230,930	\$83,000	\$176,566	\$10,318,636	\$55,522	\$11,321,021
Rescission (H.R. 4818)	(\$13,608)	(\$16)	(\$132)	(\$1,033)	(\$580)	(\$1,847)	(\$664)	(\$1,401)	(\$82,549)	(\$444)	(\$102,274)
FY 2005 Enacted	\$222,631	\$1,984	\$16,368	\$128,093	\$71,922	\$229,083	\$82,336	\$175,165	\$10,236,087	\$55,078	\$11,218,747
Pay Inflation Adjustments	\$3,267	\$0	\$245	\$2,672	\$842	\$4,076	\$1,420	\$2,602	\$220,973	\$189	\$236,286
Non-Pay Inflation Adjustments	\$1,433	\$0	\$109	\$1,570	\$626	\$1,766	\$1,266	\$1,318	\$56,141	(\$63)	\$64,166
Annualization of FY 2005 Initiatives	\$5,782	\$0	\$0	\$0	\$1,276	\$0	\$0	\$0	\$0	\$0	\$7,058
Maintaining Current Services Level	\$10,482	\$0	\$354	\$4,242	\$2,744	\$5,842	\$2,686	\$3,920	\$277,114	\$126	\$307,510
Non-Recurring Costs	(\$24,781)	\$0	\$0	\$0	(\$5,000)	\$0	\$0	\$0		(\$47,304)	(\$77,085)
One-Time Costs/Savings	(\$24,781)	\$0	\$0	\$0	(\$5,000)	\$0	\$0	\$0	\$0	(\$47,304)	(\$77,085)
Base Re-engineering	\$0	\$0	\$0	\$0	(\$2,184)	\$0	\$0	\$0	(\$230,096)	\$0	(\$232,280)
Proposed Transfers & Adjustments	\$0	\$0	\$0	\$201	\$0	\$0	\$0	\$0	\$55,383	\$0	\$55,584
Program Reductions	\$0	\$0	\$0	\$0	\$0	(\$1,554)	\$0	(\$5,792)	(\$19,752)	\$0	(\$27,098)
Base Re-Engineering, Reductions & Adjustments	\$0	\$0	\$0	\$201	(\$2,184)	(\$1,554)	\$0	(\$5,792)	(\$194,465)	\$0	(\$203,794)
FY 2005 Current Service Level	\$208,332	\$1,984	\$16,722	\$132,536	\$67,482	\$233,371	\$85,022	\$173,293	\$10,318,736	\$7,900	\$11,245,378
Program Initiatives - Reinvestments	\$0	\$0	\$0	\$0	\$2,184	\$1,554	\$0	\$3,630	\$95,893	\$0	\$103,261
Program Initiatives - Increases	\$21,333	\$958	\$0	\$750	\$3,964	\$1,318	\$6,104	\$0	\$264,632	\$0	\$299,059
FY 2006 President's Budget	\$229,665	\$2,942	\$16,722	\$133,286	\$73,630	\$236,243	\$91,126	\$176,923	\$10,679,261	\$7,900	\$11,647,698

Fiscal Year Comparison of Full-Time Equivalent (FTE) Staffing

(Direct and Reimbursable)

Appropriation	FY 2004			FY 2005			FY 2006		
	Actual			Estimated			President's Budget		
	Direct	Reimb..	Total	Direct	Reimb..	Total	Direct	Reimb.	Total
Internal Revenue Service:									
Tax Administration and Operations	97,585	1,138	98,723	96,417	1,006	97,423	96,993	669	97,662
Health Insurance Tax Credit Administration	12		12	17	-	17	17	-	17
Financial Management Service	1,654	352	2,006	1,818	316	2,134	1,818	320	2,138
Bureau of the Public Debt	1,251	5	1,256	1,301	17	1,318	1,289	17	1,306
Departmental Offices	884	290	1,174	960	311	1,271	1,005	321	1,326
Air Transportation Stabilization Program	6	-	6	6	-	6	6	-	6
Expanded Access to Financial Services	2	-	2	-	-	0	-	-	0
Treasury Building & Annex Repair & Restoration	10	-	10	-	-	-	-	-	0
Financial Crimes Enforcement Network	250	1	251	309	-	309	330	-	330
Alcohol and Tobacco Tax & Trade Bureau	492	13	505	544	15	559	544	15	559
Office of the Inspector General	99	7	106	115	6	121	115	6	121
Treasury Inspector General for Tax Administration	862	15	877	852	15	867	856	15	871
Community Development Financial Institutions Fund	50	-	50	68	-	68	35	-	35
Subtotal, Treasury Appropriated Level	103,157	1,821	104,978	102,407	1,686	104,093	103,008	1,363	104,371
Treasury Franchise Fund	-	602	602	-	678	678	-	713	713
United States Mint	-	2,115	2,115	-	2,108	2,108	-	2,024	2,024
Bureau of Engraving and Printing	-	2,331	2,331	-	2,400	2,400	-	2,400	2,400
Office of the Comptroller of the Currency	-	2,678	2,678	-	2,791	2,791	-	2,812	2,812
Office of Thrift Supervision	-	886	886	-	920	920	-	920	920
Sallie Mae Assessments	3	-	3	3	-	3	-	-	0
Terrorism Insurance Program	9	-	9	9	-	9	2	-	2
Total	103,169	10,433	113,602	102,419	10,583	113,002	103,010	10,232	113,242

Total Funding Levels for the FY 2006 President's Budget

(Dollars in Millions)

	FY 2004	FY 2005	FY 2006		
	Enacted	Estimate	President's Budget	Increase/Decrease	% Change
Annual Appropriations	\$11,161	\$11,217	\$11,648	\$431	3.8%
Interest Payments					
Interest on Public Debt ¹	\$321,566	\$347,890	\$392,430	\$44,540	12.8%
Restoration of Interest, Medicare Trust Funds	\$123	\$0	\$0	\$0	0.0%
Refunding Internal Revenue Collections, Interest	\$5,118	\$6,023	\$3,636	(\$2,387)	(39.6%)
Interest on Uninvested Funds	\$8	\$5	\$5	\$0	0.0%
Interest Paid To Credit Financing Accounts	\$3,712	\$4,085	\$4,392	\$307	7.5%
Restitution of Foregone Interest	\$0	\$142	\$0	(\$142)	0.0%
Fed. Interest Liabilities to States	\$1	\$1	\$1	\$0	0.0%
Subtotal, Interest Payments	\$330,528	\$358,146	\$400,464	\$42,318	11.8%
Trust Funds and Other Funds					
Federal Financing Bank	(\$596)	(\$49)	\$0	\$49	(100.0%)
Payment to Resolution Funding Corp	\$2,187	\$2,187	\$2,187	\$0	0.0%
Check Forgery Insurance Fund	\$0	\$0	\$3	\$3	100.0%
Payment to Terrestrial Wildlife Habitat Restoration Trust Fund	\$5	\$5	\$5	\$0	0.0%
Air Transportation Stabilization Program	\$26	\$341	\$0	(\$341)	(100.0%)
Subtotal, Trust Funds and Other Funds	\$1,622	\$2,484	\$2,195	(\$289)	(11.6%)
Permanent Authority Appropriations					
Pres. Election Campaign Fund	\$56	\$55	\$55	\$0	0.0%
Biomass Energy Development	\$0	(\$5)	(\$5)	\$0	0.0%
Government Losses in Shipment	\$0	\$3	\$0	(\$3)	(100.0%)
Terrorist Insurance Program	\$4	\$6	\$3	(\$3)	(50.0%)
Sallie Mae Assessments	\$1	\$0	\$0	\$0	0.0%
Continued Dumping and Subsidy Offset ¹	\$303	(\$83)	\$0	\$83	(100.0%)
Treasury Forfeiture Fund	\$313	\$251	\$251	\$0	0.0%
Debt Collection Special Fund	\$37	\$32	\$32	\$0	0.0%
Claims, Judgments & Relief Acts	\$871	\$732	\$820	\$88	12.0%
Confiscated and Vested Iraqi Property and Assets	\$18	\$0	\$0	\$0	0.0%
Federal Reserve Bank Reimbursement by					
FMS	\$190	\$200	\$220	\$20	10.0%
BPD	\$131	\$131	\$126	(\$5)	(3.8%)
Financial Agent Services	\$258	\$333	\$312	(\$21)	(6.3%)
Temporary State Fiscal Assistance Fund	\$5,000	\$0	\$0	\$0	0.0%
Internal Revenue Collections for Puerto Rico ¹	\$336	\$404	\$359	(\$45)	(11.1%)
IRS New and Existing Fees	\$63	\$100	\$100	\$0	0.0%
IRS Informant Payments	\$4	\$4	\$4	\$0	0.0%
Private Collection Agent Program	\$0	\$0	\$2	\$2	100.0%
Payment where Child Credit exceeds liab. for tax ¹	\$8,857	\$13,516	\$13,146	(\$370)	(2.7%)
Payment where EIC exceeds liability for tax ¹	\$33,134	\$33,790	\$34,051	\$261	0.8%
Payment where Health Care Credit exceeds liab. for tax ¹	\$82	\$91	\$202	\$111	122.0%
Subtotal, Permanent Authority Appropriations	\$49,658	\$49,560	\$49,678	\$118	0.2%
Offsetting Collections¹	(\$17,034)	(\$17,602)	(\$21,454)	(\$3,852)	21.9%
Subtotal	\$375,935	\$403,805	\$442,531	\$38,726	9.6%
International Assistance Programs	\$1,710	\$1,337	\$1,456	\$119	8.9%
Total, Department of the Treasury¹	\$377,645	\$405,142	\$443,987	\$38,845	9.6%

¹ Includes legislative proposals for FY 2006.

Note: Detail of accounts is found on page 87 of the supplemental information section.